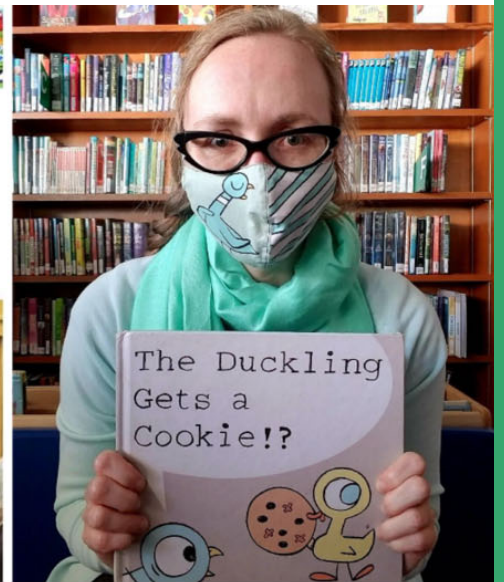




# CLACKAMAS COUNTY LIBRARY SERVICE DISTRICT PROPOSED BUDGET



**FISCAL YEAR  
2022-2023**





## **CLACKAMAS COUNTY LIBRARY SERVICE DISTRICT**

**FISCAL YEAR 2022-2023  
Proposed Budget**

### **BUDGET COMMITTEE**

#### **Board of County Commissioners**

**Tootie Smith, Chair  
Sonya Fischer, Commissioner  
Paul Savas, Commissioner  
Martha Schrader, Commissioner  
Mark Shull, Commissioner**

#### **Citizens**

**Daniel Cannain  
Karin Morey  
Susan Nielsen  
Marisa Soltz**

### **LIBRARY DISTRICT ADVISORY COMMITTEE**

**Vacant (Wilsonville)  
G. Jeffrey Bornefeld (Oak Lodge)  
Kathleen Draine (Sandy/Hoodland)  
Natalie Smith (Gladstone)  
Robin Chedister (Milwaukie)  
Vacant (Molalla)**

**Jacquie Siewert-Schade (Lake Oswego)  
Vacant (West Linn)  
Connie Redmond (Estacada)  
Denise Fonseca (Canby)  
Al Matecko (Happy Valley)  
Nick Dierckman (Oregon City)**

**Clackamas County Administrator/Library District Budget Officer  
Gary Schmidt**

**Business & Community Services Interim Director  
Sarah Eckman  
Business & Community Services Interim Deputy Director  
Eileen Stein**

**Prepared by:  
Business & Community Services  
Tracy Grambusch, Financial Analyst**

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May 23, 2022

Residents of the Library District of Clackamas County  
Budget Committee Members  
Board of County Commissioners  
Acting as the Governing Body of the Library District of Clackamas County

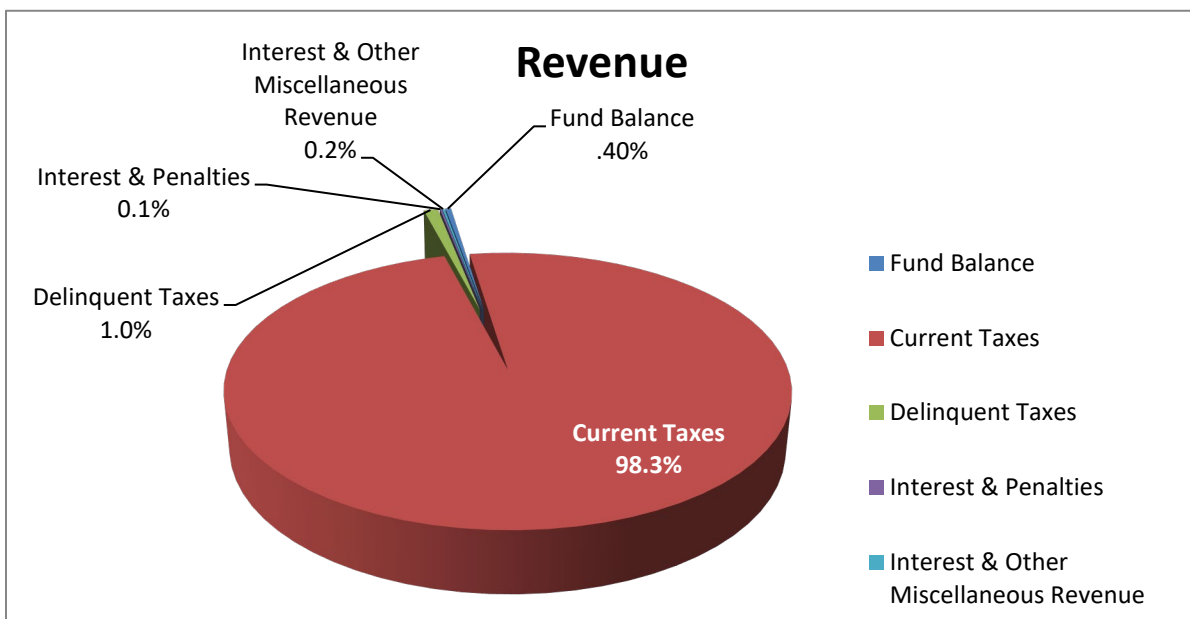
### Introduction

I am pleased to present the Library District proposed budget in the amount of **\$22,113,650** for fiscal year 2022/2023 for consideration by the Budget Committee. The budget was prepared in compliance with Oregon Budget Law and is balanced with resources matching projected annual requirements.

The Library District Fund was established in 2008 when voters approved a countywide Library District for Clackamas County. The permanent rate approved by voters in November 2008 was 0.3974 dollars per thousand of assessed value. The District functions as a fiscal agent by distributing property tax revenues raised by the District's permanent rate to participating local governments who operate libraries within Clackamas County. These funds will be used in fiscal year 2022/2023 for the operations and support of the Clackamas County Oak Lodge Library and twelve city-operated libraries: Canby, Estacada, Gladstone (operated by Clackamas County), Happy Valley, Lake Oswego, Milwaukie, Molalla, Oregon City, Sandy (including a branch at Hoodland), Tualatin, West Linn and Wilsonville. The City of Johnson City is the only area in Clackamas County that is not part of the Library District.

### Revenues

The proposed budget of **\$22,113,650** includes taxes of \$21,993,225, a fund balance at the end of fiscal year 2021/2022 of \$85,425, and all other revenue resources of \$35,000 as displayed below:



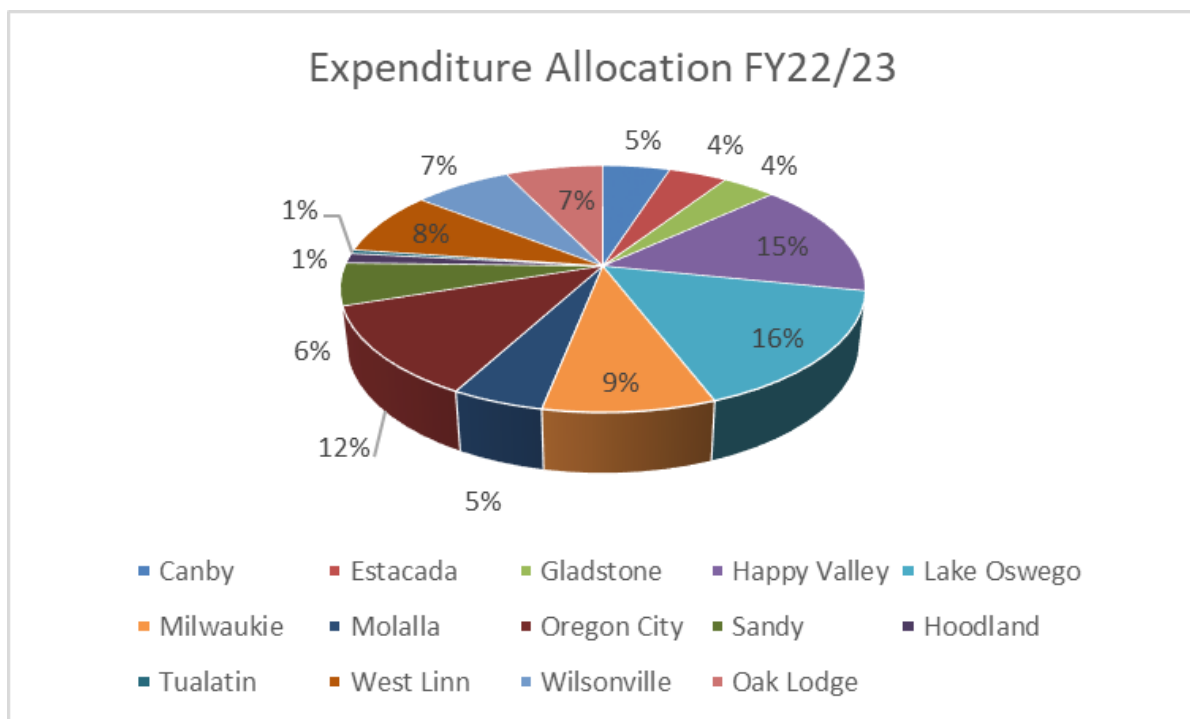
## Expenditures

As part of the original Library District ballot measure, the Board of County Commissioners indicated to voters that no Library District administration costs would be charged against this fund and that all tax revenue collected would go directly to support libraries. Therefore, the county is responsible for all necessary administrative expenditures related to the Library District. All funds collected in the Library Service District Fund will be distributed to public libraries within Clackamas County for the support of library services, except those required to be held in trust per the Cooperative Intergovernmental Agreement between the Library District of Clackamas County and Member Cities (Master IGA). The county's Business & Community Services department is responsible for administration of the Library District and provides staff support to the Library District Advisory Committee.

There are no other taxes imposed by the District; there is no operating budget and the District has no staff. The expenditures in the proposed budget include Payments to Local Governments in the amount of \$22,113,650 and represent the distributions to the county-operated Oak Lodge and Gladstone libraries and the remaining distributions to the twelve city-operated libraries.

The mechanism by which the funds are collected by the Library District and distributed to each Library is called the "distribution formula." Please see the next page for a more detailed description of the formula.

The chart below displays the proposed budgeted expenditures in the amount of **\$22,113,650**:



## Formula

The distribution formula by which the Library District funds are divided out to each Library is outlined in the Master IGA and is based on two factors:

- The first factor of the formula is *assessed value*. Each participating city and jurisdiction that operates a library located in Clackamas County receives a proportionate share based on assessed value.
- The second factor of the formula is *unincorporated population*. Each participating city and jurisdiction that operates a library located in Clackamas County receives a proportionate share based on the percentage of unincorporated residents served by each of the libraries as established by the Library Service Area boundaries.

Prior year delinquencies, tax interest, and penalties are distributed to each Library based on the previous year's distribution formula.

The Master IGA stipulates that the population in each census tract will be verified every 10 years, and an updated total unincorporated population within each Library Service Area will be used in the distribution formula. This update ensures that the distribution of funds is reflective of the most current census data. The 2010 Census data was incorporated into the distribution formula in fiscal year 2012/2013 and resulted in adjustments to the distribution formula and changes in the amount of projected property tax revenue for the libraries. The ultimate impact was a drop in revenue for several cities and increases in revenue for others. Cities with large unincorporated areas saw the largest drop in projected revenues. The 2020 census is now complete and will be incorporated into the distribution formula this next year.

Since a portion of the City of Tualatin is within the boundaries of the Library District, the city receives 50% of the annual District revenue generated in the city for use in support of the Tualatin Library. The remaining 50% is split between the three District libraries most likely to serve Tualatin patrons, namely Lake Oswego, Wilsonville, and West Linn.

Following is the fiscal year 2022/2023 estimate of taxes allocated to each city and county Library receiving District distributions.

Library Name	
Canby	1,091,340
Estacada	949,386
Gladstone	871,565
Happy Valley	3,328,049
Lake Oswego	3,527,040
Milwaukie	1,973,672
Molalla	1,060,584
Oregon City	2,649,124
Sandy	1,222,596
Hoodland	287,478
Tualatin	112,757
West Linn	1,862,255
Wilsonville	1,590,603
Oak Lodge	1,587,201
<b>Total</b>	<b>22,113,650</b>



## **Activity Highlights**

The original Library District Master IGA contemplated the eventual closure of the Oak Lodge Library, and the construction of a single library facility in the City of Gladstone that would serve residents of both the City of Gladstone and the Oak Lodge Library Service Areas. Several factors, however, complicated the implementation of this "single facility" solution, including local election results, community concerns, and legal proceedings.

In fiscal year 2017/2018, Clackamas County and the City of Gladstone entered into a Settlement Agreement which contemplates the construction of two new libraries, one located within the City of Gladstone, and one located in unincorporated Clackamas County within the Oak Lodge Library service area. The Concord Task Force voted unanimously that the Concord School property was a suitable location for the new Oak Lodge Library. Both the Concord/Oak Lodge Library project and the Gladstone Library project have a dedicated task force of community volunteers providing input on the design process. The task force will continue reviewing project design and construction costs during the schematic design phase.

Business and Community Services, at the direction of the Board and in close consultation with the Library District Advisory Committee (LDAC), has been supporting the formation and work of a multi-jurisdictional Task Force to evaluate and make recommendations related to Library District services, funding, and administration. Due to the COVID-19 pandemic, the Library District Task Force was not able to meet in FY 2020/2021, and in FY 2021/2022 was put on hold. The LDAC is beginning to formulate ideas for the Library District Task Force for when this body is re-convened

## **Acknowledgements**

I want to acknowledge county staff's effort in creating this proposed budget. I also want to acknowledge and thank the Library District Advisory Committee, the Board of County Commissioners and the residents of the District for their engagement and continued dedication to the Clackamas County Library Service District.

As always, I want to thank the Budget Committee for assuming this important task on behalf of our community. The time you take to receive and review the budget and attend the meetings is very much appreciated.

We respectfully request that the Budget Committee approve this budget for fiscal year 2022/2023.

Respectfully submitted,



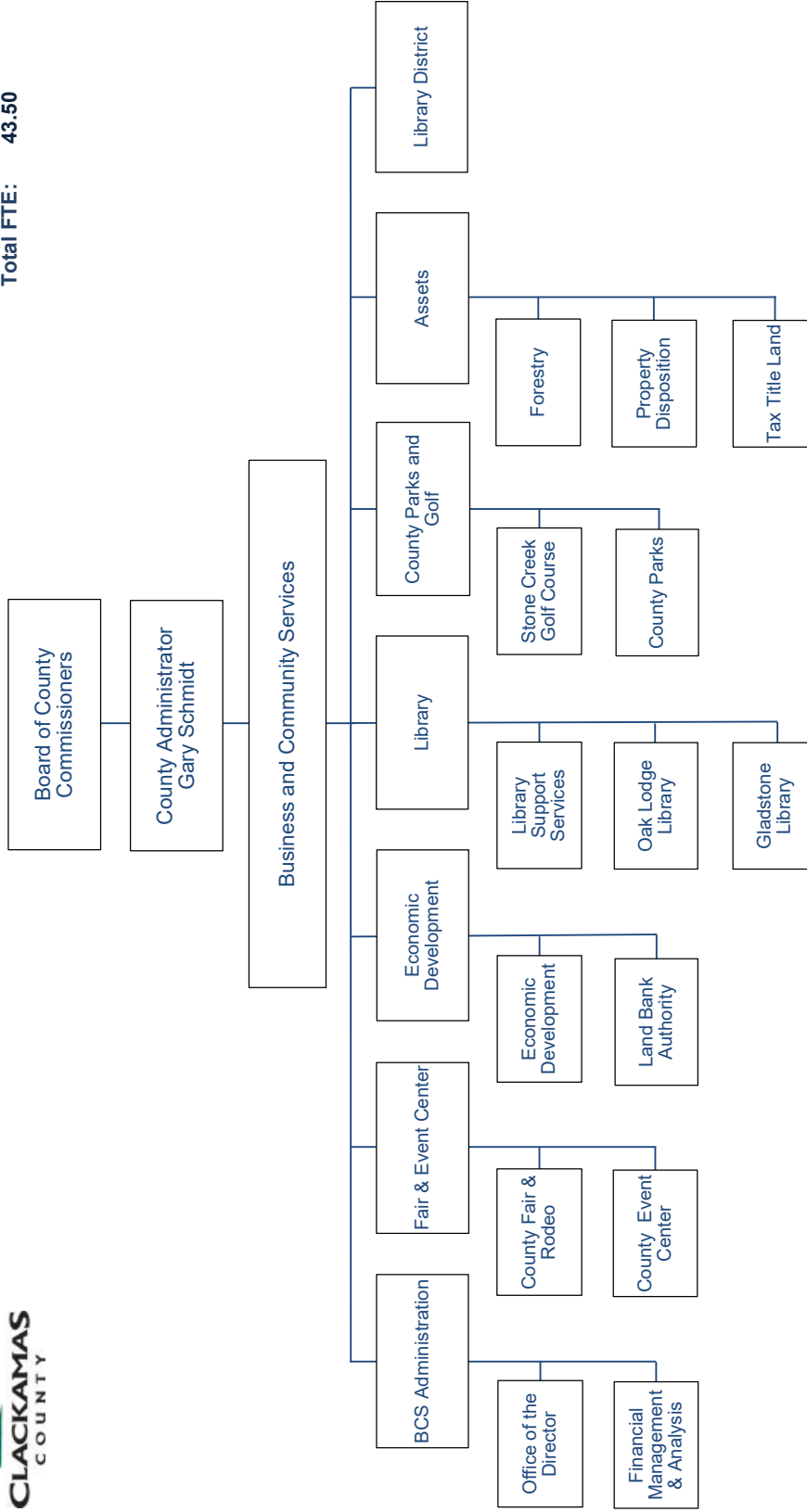
Gary Schmidt  
County Administrator  
Library District Budget Officer



# Business & Community Services

Fiscal Year 2022-2023

Total FTE: 43.50





# Business and Community Services (50)

## Special District Budget Summary by Fund

Line of Business	Program	Progr #	FY 22-23 FTE	FY 22-23 Library Service District Fund (110)	FY 22-23 Total Proposed Budget	FY 22-23 General Fund Support in Budget
Library	Library Service District	500503	-	22,113,650	22,113,650	
FY 22-23 Budget				\$ 22,113,650	\$ 22,113,650	\$ -
FY 21-22 Budget				22,973,735	22,973,735	
\$ Increase (Decrease)				(860,085)	(860,085)	
% Increase ( Decrease)				0.00%	-3.74%	-3.74%



## Business and Community Services

### Department Mission

The mission of the Business and Community Services Department is to provide essential economic development, public spaces, and community enrichment services to residents, businesses, visitors, and partners so they can thrive and invest in a healthy, vibrant, and prosperous Clackamas County both now and into the future.

### Business and Community Services

Sarah Eckman - Interim Director  
Eileen Stein - Interim Deputy Director

<b>BCS Administration</b>  Sarah Eckman Interim Director  Eileen Stein Interim Deputy Director	<b>Fair &amp; Event Center</b>  Sarah Eckman Interim Director  Eileen Stein Interim Deputy Director	<b>Economic Development</b>  Sarah Eckman Interim Director  Eileen Stein Interim Deputy Director	<b>Library</b>  Sarah Eckman Interim Director  Eileen Stein Interim Deputy Director	<b>Parks, Golf &amp; Recreation</b>  Sarah Eckman Interim Director  Eileen Stein Interim Deputy Director	<b>Assets</b>  Sarah Eckman Interim Director  Eileen Stein Interim Deputy Director
<b>Office of the Director</b>  Sarah Eckman Interim Director	<b>County Fair &amp; Rodeo</b>  Brian Crow Executive Director	<b>Economic Development</b>  Sarah Eckman Interim Director	<b>Library Support Services</b>  Kathryn Kohl Manager	<b>Stone Creek Golf Club</b>  Gordon Tolbert Manager	<b>Forestry</b>  Tom Riggs Manager
<b>Financial Management &amp; Analysis</b>  Eileen Stein Interim Deputy Director	<b>County Event Center</b>  Brian Crow Executive Director	<b>Land Bank Authority</b>  Vacant Executive Manager	<b>Oak Lodge Library</b>  Mitzi Olson Manager	<b>County Parks</b>  Tom Riggs Manager	<b>Property Disposition</b>  Sarah Eckman Interim Director
			<b>Gladstone Library</b>  Mitzi Olson Manager		<b>Tax Title Land</b>  Sarah Eckman Interim Director
			<b>Library District</b>  Eileen Stein Interim Deputy Director		



## Library Service District

### Line of Business Purpose Statement

The purpose of the Library Line of Business is to provide access to informational, recreational, community, cultural, and support services to library patrons so they can develop into lifelong learners and readers, satisfy intellectual curiosity, and strengthen communities.

### Business and Community Services(50)

Sarah Eckman - Interim Director  
Eileen Stein - Interim Deputy Director

Total Library Service District Proposed \$22,113,650

General Fund Support \$0

#### Library Service District

Sarah Eckman Interim  
Director

Eileen Stein  
Interim Deputy Director

Total Proposed  
\$22,113,650

Gen Fund \$ -

#### Library District

Sarah Eckman Interim  
Director

Eileen Stein  
Interim Deputy Director

FTE 0.00  
Total Proposed  
\$22,113,650

Gen Fund \$ -



## Business and Community Services (50)

### Library Service District



#### Purpose Statement

The purpose of the Library District program is to provide financial analysis, funds disbursement, and administrative support services to Library District residents, members of governing and advisory bodies, and participating local governments so they can receive information and funding which supports the provision of library services to all residents of the Clackamas County Library District.

#### Performance Narrative Statement

The Library District program proposes a budget of \$22,113,650, a continuation of the current funding level. These resources will serve the more than 400,000 residents of Clackamas County and funds will be distributed to the 11 city libraries and 2 county libraries within the established timeframes. In addition, the library district estimates will be provided to the cities within established timeframes. Reaching these targets will allow Clackamas County libraries to efficiently and effectively provide library services to their patrons.

#### Key Performance Measures

		FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Target	FY 21-22 Actual as of 12/31/2021	FY 22-23 Target
 Result	Percentage of District distribution estimates provided within established timeframes*	100%	100%	100%	0%	100%
 Result	Percentage of District distributions processed within established timeframes**	100%	100%	100%	0%	100%

\* Estimate is prepared by February 15th of each year.

\*\* First distribution is prepared by January 30th of each year, final distribution is processed by June 30th of each year.

Program includes:

Mandated Services ☐ Y

Shared Services ☐ N

Grant Funding ☐ N

Explain all "Yes" boxes below

For help with shared services, see AOC Shared State-County Services page on intranet

If grant funding, include length of grant and any match requirement (w/funding source)

Explanation: The *Library District program* is a **mandated service** that was established in 2008 when voters approved a countywide Library District for Clackamas County. The permanent rate approved by voters in November 2008 was 0.3974 dollars per thousand of assessed value. The District functions as a fiscal agent by distributing property tax revenues raised by the District's permanent rate to participating local governments who operate libraries within Clackamas County. These funds are used for the operations and support of the Clackamas County Oak Lodge Library, Clackamas County Gladstone Library and 11 city libraries: Canby, Estacada, Happy Valley, Lake Oswego, Milwaukie, Molalla, Oregon City, Sandy (including a branch at Hoodland), West Linn and Wilsonville. The City of Johnson City is the only area in Clackamas County that is not part of the Library District.



## Business and Community Services (50)

### Library Service District

#### Budget Summary

	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Amended Budget	FY 21-22 Projected Year End	FY 22-23 Proposed Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
<b>Beginning Fund Balance</b>	<b>2,997,438</b>	<b>3,048,013</b>	<b>2,290,947</b>	<b>2,991,784</b>	<b>85,425</b>	<b>(2,205,522)</b>	<b>-96%</b>
Taxes	19,723,528	20,720,405	20,642,788	21,359,927	21,993,225	1,350,437	6.5%
Federal, State Local, All Other Gifts & Donat	3,658	15,983	5,000	5,000	-	(5,000)	-100.0%
Miscellaneous	139,162	60,043	35,000	35,000	35,000	-	-
<b>Operating Revenue</b>	<b>19,866,348</b>	<b>20,796,431</b>	<b>20,682,788</b>	<b>21,399,927</b>	<b>22,028,225</b>	<b>1,345,437</b>	<b>7%</b>
<b>Total Revenue</b>	<b>22,863,786</b>	<b>23,844,444</b>	<b>22,973,735</b>	<b>24,391,711</b>	<b>22,113,650</b>	<b>(860,085)</b>	<b>-4%</b>
Special Payments	19,815,773	20,852,660	22,973,735	24,306,285	22,113,650	(860,085)	-4%
<b>Total Expense</b>	<b>19,815,773</b>	<b>20,852,660</b>	<b>22,973,735</b>	<b>24,306,285</b>	<b>22,113,650</b>	<b>(860,085)</b>	<b>-4%</b>
<b>Revenues Less Expenses</b>	<b>3,048,013</b>	<b>2,991,784</b>	<b>-</b>	<b>85,426</b>	<b>-</b>	<b>-</b>	

#### Significant Issues and Changes

Business and Community Services, at the direction of the Board and in close consultation with the Library District Advisory Committee (LDAC), has been supporting the formation and work of a multi-jurisdictional Task Force to evaluate and make recommendations related to Library District services, funding, and administration. Due to the COVID-19 pandemic, the Library District Task Force was not able to meet in FY 20-21, and in FY 21-22 was put on hold. The LDAC is beginning to formulate ideas for the Library District Task Force for when this body is re-convened.

**Library Service District (50)**

**Summary of Revenue and Expense**

	FY 19-20 Actual	FY 20-21 Actual	FY 21-22 Amended Budget	FY 21-22 Projected Year End	FY 22-23 Proposed Budget	Chg from Prior Yr Budget	% Chg from Prior Yr Budget
<b>Beginning Balance</b>	<b>2,997,438</b>	<b>3,048,013</b>	<b>2,290,947</b>	<b>2,991,784</b>	<b>85,425</b>	<b>(2,205,522)</b>	<b>-96%</b>
Taxes	19,723,528	20,720,405	20,642,788	21,359,927	21,993,225	1,350,437	7%
Federal, State, Local, All Other Gifts & Donations	3,658	15,983	5,000	5,000	-	(5,000)	-100%
All Other Revenues Resources	139,162	60,043	35,000	35,000	35,000	-	0%
<b>Operating Revenue</b>	<b>19,866,348</b>	<b>20,796,431</b>	<b>20,682,788</b>	<b>21,399,927</b>	<b>22,028,225</b>	<b>1,345,437</b>	<b>0</b>
<b>Total Revenue</b>	<b>22,863,786</b>	<b>23,844,444</b>	<b>22,973,735</b>	<b>24,391,711</b>	<b>22,113,650</b>	<b>1,345,437</b>	<b>-4%</b>
Special Payments	19,815,773	20,852,660	22,973,735	24,306,285	22,113,650	(860,085)	-0
<b>Total Expense</b>	<b>19,815,773</b>	<b>20,852,660</b>	<b>22,973,735</b>	<b>24,306,285</b>	<b>22,113,650</b>	<b>860,085</b>	<b>-4%</b>
<b>Ending Fund Balance Restricted Revenue Less Expense*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,426</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>3,048,013</b>	<b>2,991,784</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Department: Business and Community Services**  
**Fund: 210 Library Service District of Clackamas County**  
**Program: 500503 Library District**

**Detail Sheet**

Explain/describe source or use of funds for each listed category in sufficient detail to enable reader to understand and evaluate.

**REVENUE DETAIL**

<b>Beginning Fund Balance</b> (anticipated July 1, 2022)	
Externally Restricted - due to Library District cities/county library	85,425
Externally Restricted - held in trust per the IGA for Oak Lodge Library	0
Internally Assigned -	0
Not Assigned -	0
	<u>85,425</u>
<b>General Fund Support</b>	<u>0</u>
	<u>0</u>

**EXPENSE DETAIL-** Explain significant outlays for each category below. Not necessary to itemize all.

**Travel / Training / Mileage (all types)**

**Professional and Contracted Services (all types)** Indicate with asterisk (\*) if service provided by another County dept and specify provider

**Capital Outlay**

**OTHER SIGNIFICANT ITEMS OF AT LEAST \$25,000 REQUIRING EXPLANATION - (REVENUE OR EXPENSE)** No personal services or allocated costs

**Revenue**

**Expense**

Special Payments - Oak Lodge/Gladstone - Line #47500	0
Special Payments - Pass Thru Payment - Local Govt & Other Agencies - Oak Lodge - Line #47520	1,587,201
Special Payments - Pass Thru Payment - Local Govt & Other Agencies - Gladstone - Line #47520	871,565
Special Payments - Pass Thru Payment - Local Govt & Other Agencies - City Libraries - Line #47520	19,654,884

**Total Expenditures**

<u>22,113,650</u>
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## Clackamas County Library District Distribution Formula

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### Distribution of Revenue

All tax funds collected in the Library District are distributed to the libraries within Clackamas County. The County pays all administrative expenditures related to the Library District and the County's Business & Community Services department manages the administration of the property tax distribution formula and provides staff support to the Library District Board and Library District Advisory Committee.

The mechanism by which the Library District funds are divided out to each Library is outlined in an Intergovernmental Agreement and called the "distribution formula." The formula is based on two factors:

- The first factor of the formula is *assessed value* and each participating city and jurisdiction that operates a library located in Clackamas County receives a proportionate share based on their city's assessed value.
- The second factor of the formula is *unincorporated population* and each participating city and jurisdiction that operates a library located in Clackamas County receives a proportionate share based on the percentage of unincorporated residents served by each library as established by the Library Service Area boundaries.

Prior year delinquencies, tax interest, and penalties are distributed to each Library based on the previous year's distribution formula.

Following is the fiscal year 2022/2023 estimate of taxes allocated to each City and County Library participating in the Library District.

**Clackamas County Library District  
Fiscal Year 2022-2023 Estimate\***

<b>Total Current Year Tax Receipts</b>	<b>\$21,743,225</b>	<b>100.00%</b>	<b>Prior Year</b>
City Assessed Value	\$11,791,351	54.23%	\$199,844
Unincorporated Population Served	\$9,951,874	45.77%	\$170,581

Prior Year Fund Balance	\$85,425
Interest Earned	\$35,000
Delinquent Tax & Interest/Penalties	\$250,000
<b>Total</b>	<b>\$370,425</b>
<b>Total Library District Revenues</b>	<b>\$22,113,650</b>

**FY 2022/2023 Estimate**  
 22,127,806 (2021/2022 Taxes imposed)  
 x 3%  
 = 663,834  
 + 22,127,806  
 = 22,791,640  
 x 95.4% (Assessors Collection rate)  
 = **21,743,225**

	Assessed Value	Unincorporated Population Served	Assessed Value Prior Interest & Delinquent Tax	Unincorporated Prior Interest & Delinquent Tax	Tualatin Distribution	Total Distribution	%
Canby	\$673,286	\$400,065	\$11,131	\$6,857		\$1,091,340	4.94%
Estacada	\$173,333	\$760,323	\$2,698	\$13,032		\$949,386	4.29%
Gladstone	\$389,115	\$467,738	\$6,695	\$8,017		\$871,565	3.94%
Happy Valley	\$1,366,618	\$1,905,784	\$22,982	\$32,666		\$3,328,049	15.05%
Lake Oswego	\$3,112,917	\$299,551	\$53,059	\$5,134	\$56,379	\$3,527,040	15.95%
Milwaukie	\$904,397	\$1,035,990	\$15,528	\$17,757		\$1,973,672	8.93%
Molalla	\$279,455	\$763,309	\$4,736	\$13,084		\$1,060,584	4.80%
Oregon City	\$1,359,543	\$1,244,979	\$23,262	\$21,340		\$2,649,124	11.98%
Sandy	\$395,010	\$807,097	\$6,655	\$13,834		\$1,222,596	5.53%
Hoodland	\$0	\$282,633	\$0	\$4,844		\$287,478	1.30%
Tualatin	\$221,677	\$0	\$3,837	\$0	-\$112,757	\$112,757	0.51%
West Linn	\$1,623,669	\$196,052	\$27,898	\$3,360	\$11,276	\$1,862,255	8.42%
Wilsonville	\$1,292,332	\$227,898	\$21,363	\$3,906	\$45,103	\$1,590,603	7.19%
*Oak Lodge	\$0	\$1,560,454	\$0	\$26,747		\$1,587,201	7.18%
<b>Total</b>	<b>\$11,791,351</b>	<b>\$9,951,874</b>	<b>\$199,844</b>	<b>\$170,581</b>	<b>\$0</b>	<b>\$22,113,649</b>	<b>100.01%</b>

Tualatin Assessed Value & Prior Year Distribution		Assessed Value	Prior Year, Interest and Delinquent Tax	Total
Tualatin	50%	\$110,839	\$1,919	\$112,757
Lake Oswego	25%	\$55,419	\$959	\$56,379
Wilsonville	20%	\$44,335	\$767	\$45,103
West Linn	5%	\$11,084	\$192	\$11,276
<b>Total</b>	<b>100%</b>	<b>\$221,677</b>	<b>\$3,837</b>	<b>\$225,514</b>

\*Fiscal Year 2022/2023 budget estimate is based on date from the Fiscal Year 2021/2022 Distribution Formula.

## GLOSSARY

**ACCRUAL ACCOUNTING.** The basis of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at that time).

**AD VALOREM.** A tax imposed on the taxable value of property.

**ADOPTED BUDGET.** The financial plan adopted by the Board of County Commissioners (BCC), which forms the basis for appropriations.

**ANNEXATION.** The incorporation of land into an existing District with a resulting change in the boundaries of that district.

**APPROPRIATION.** Authorization from the BCC to spend money within a specified dollar limit for an approved purpose.

**APPROVED BUDGET.** The budget recommended by the Budget Committee to the BCC for adoption.

**ASSESS.** To establish an official property value for taxation purposes.

**ASSESSED VALUATION (AV).** The value given to real and personal property to establish a basis for levying taxes.

**BALLOT MEASURE 47.** In November 1996, voters passed a tax limitation initiative, which was referred to as Ballot Measure 47. The Measure's provisions included: a tax rollback for property taxes; a cap of 3% on property tax increases in future years; a requirement that special elections for property tax increase measures must be approved by 50% of all registered voters, as opposed to a simple majority in general elections. Due to several complexities regarding implementation, the legislature instead proposed Ballot Measure 50. Ballot Measure 47 was replaced by Ballot Measure 50 in May 1997.

**BALLOT MEASURE 50.** In May 1997 voters replaced Ballot Measure 47 with Ballot Measure 50. The measure fundamentally changed the structure of property taxes in Oregon, moving from the tax base system to a permanent tax rate. Measure 50 has the same financial impact as Measure 47, with the benefit of simplified implementation.

**BUDGET.** The District's financial plan for a period of one year. By statute, the budget must include a statement of actual revenues and expenditures for each of the last two years. Revenues and expenditures for the current and forthcoming year are estimated.

**BUDGET COMMITTEE.** Budget reviewing committee, consisting of the BCC and five citizens appointed by the BCC, which is responsible to approve the District's Proposed Budget after a budget deliberation meeting and public hearing.

**BUDGET MESSAGE.** A message prepared by the District Director explaining the annual proposed budget and identifying budget impacts and changes. Also known as Letter of Transmittal.

**BUDGET PROCESS.** The process of translating, planning and programming decisions into specific financial plans.

**CASH BASIS OF ACCOUNTING.** The method of accounting that records revenues only when they are actually received and expenditures only when cash is paid.

**CASH MANAGEMENT.** The process of managing monies for the District to ensure operating cash availability and safe investment of idle cash.

**ANNUAL FINANCIAL REPORT (AFR).** The official annual financial report of the District prepared in conformity with GAAP. The annual report is audited by an independent auditing firm.

**CURRENT REVENUES.** Those revenues received within the present fiscal year.

**EXPENDITURE.** An outlay, which is chargeable for a specific period, usually one fiscal year. Examples include payments to other governments and organizations.

**FISCAL YEAR.** A 12-month period to which the annual budget applies. At the end of the period, the District determines its financial position. The Fiscal Year is July 1 through June 30 for local governments in Oregon.

**FULL ACCRUAL.** The basis of accounting under which transactions and events are recognized as

revenues or expenses when they occur, regardless of the timing of related cash flows.

**FUND.** An independent accounting entity whose revenues and expenditures are balanced and segregated to record a specific set of activities.

**FUND BALANCE.** The excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal period, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves and appropriations for the period.

**FY.** See FISCAL YEAR.

**GAAP.** Generally Accepted Accounting Principles. Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of the District.

**GASB.** Governmental Accounting Standards Board. The authoritative accounting and financial standard setting body for governmental entities.

**LETTER OF TRANSMITTAL.** See BUDGET MESSAGE.

**LINE ITEM.** An expenditure description at the most detailed level. Objects of expenditure are broken down into specific items.

**LOCAL BUDGET LAW.** Oregon Revised Statute (ORS) 294.305 to 294.565 constitute Local Budget Law in Oregon. Local Budget Law has several purposes: 1) It establishes standard procedures for preparing, presenting, and administering the District's budget; 2) It offers a way of outlining the programs and services provided by the District and the fiscal policy used to carry them out; 3) It provides a method for estimating revenues, expenditures, and proposed tax levies; and 4) It encourages citizen involvement in the preparation of the budget before formal adoption.

**MODIFIED ACCRUAL ACCOUNTING.** The basis of accounting under which revenues are recorded when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the related fund liability is incurred, except for inventories, prepaid insurance, accumulated

unpaid employee benefits and debt-service on long-term debt.

**ORS.** Oregon Revised Statutes.

**PROPOSED BUDGET.** The budget proposed by the District Director to the Budget Committee for review and approval.

**REQUIREMENT.** The total of all expenditures within a fund, including operating expenditures, transfers to other funds, contingency and unappropriated fund balance.

**RESERVE.** A portion of a fund that is restricted for a specific purpose.

**RESOURCES.** The total amount available for appropriation within a fund. Resources generally include anticipated revenues, interfund transfers and beginning fund balance.

**REVENUE.** Income received by the District in support of the government's program of services to the community. The receipts and receivables for an organizational unit of the District derived from taxes, but excluding beginning balance and transfers.

**SUPPLEMENTAL BUDGET.** A budget prepared to meet unexpected needs or to spend revenues not anticipated at the time the regular budget was adopted. It cannot be used to authorize a tax levy.

**TAX.** Compulsory charge levied by a government to finance services performed for the common benefit.

**TAX BASE.** The authority to permanently levy a dollar amount annually as approved by a majority of voters in May or November of an even numbered year is called a tax base. Once established, a local government may levy up to a full amount of its tax base authority without another vote of the people.

**TAX RATE.** The amount of tax stated in terms of a unit of tax for each \$1,000 of assessed value of taxable property. The tax rate for the Library Service District is permanently set a \$0.3974 per thousand of dollars of assessed valuation.

**TRANSFERS.** Amounts transferred from one fund to finance activities in another fund. Transfers are shown as a requirement in the

originating fund and a resource in the receiving fund.

**UNAPPROPRIATED      ENDING      FUND  
BALANCE.** An amount set aside in the budget to be used as a cash carryover to the next year's budget to provide needed cash flow until other money is received. No expenditures can be made from the Unappropriated Ending Fund Balance during the fiscal year in which it is budgeted.

